



University of Connecticut

Appropriations Committee Hearing

February 13, 2009

Indicators of Success

UConn

- UConn among the top 26 in the nation and rated the top public university in New England for the past 10 years (*U.S. News & World Report*)
- UConn ranked in the top 35 best value public colleges for in-state costs (*Kiplinger's Personal Finance*)
- 94% of recent graduates are either employed or are in graduate/professional schools
- 68% of those working full-time are doing so in CT



Indicators of Success

UConn

- UCONN 2000 program has completed more than 9.7 million square feet of new & renovated space
- Athletic teams have won 8 NCAA Division I national championships, 38 Big East tournaments & 44 Big East regular season titles since 1995
- UConn Health Center's John Dempsey Hospital honored with a Premier | CareScience Select Practice National Quality Award in 2007
- UConn Health Center's School of Dental Medicine is consistently #1 or #2 in the country by the National Dental Board



UConn's Contribution to Connecticut

UConn

- Faculty Research, Training & Service:
 - Contributes to Connecticut's economic growth
 - Enhances health, technological advancement & quality of life across the state, the nation & beyond
 - External funding increased 97.7% from FY96 to FY08
- Fuel Cells:
 - CT Global Fuel Cell Center-supported by federal government & major state and other firms
 - Involves 40 faculty in vital cutting-edge research
- Innovative Technologies:
 - Faculty awarded more than 240 patents in the past ten years & over 18 companies have been created from faculty inventions in this time period

UConnOMY

UConn

Sample Statistics

- ◉ UConn's ongoing operations add \$2.3B to Connecticut's gross domestic product
- ◉ Every state dollar allocated to UConn results in a \$5.05 increase in Connecticut's gross domestic product – a 505% return on investment
- ◉ With State support, the University attracts an additional \$713.5M to the Connecticut economy
- ◉ Connecticut businesses experience \$3.2B in new sales as a result of the University's ongoing operations

Student Quality & Diversity

UConn

Health Center

- ◉ Over the last 6 years (fall 2002-2007):
 - School of Medicine applications have increased by 68% (1,776 to 2,976)
 - School of Dental Medicine applications have increased by 79% (870 to 1,557)
 - School of Medicine passing rates on National Exams have been at 100%
 - School of Dental Medicine passing rates on National Exams have been at 100%
- ◉ Approximately 35% of School of Medicine graduates practice in the state while 51% of School of Dental Medicine graduates practice in the state



Student Quality & Diversity: Exceeding Expectations

UConn

Storrs & Regional Campuses

- Fall 2008 compared to fall 1995 at Storrs:

Applications increased 113% (9,874 to 21,058)

Freshman enrollment increased 78% (2,021 to 3,604)

Freshman minority enrollment increased 131% (303 to 710)

SAT scores increased 87 points from fall '96 (1113 to 1200)



- Since 1995, 1,074 valedictorians and salutatorians enrolled at all campuses

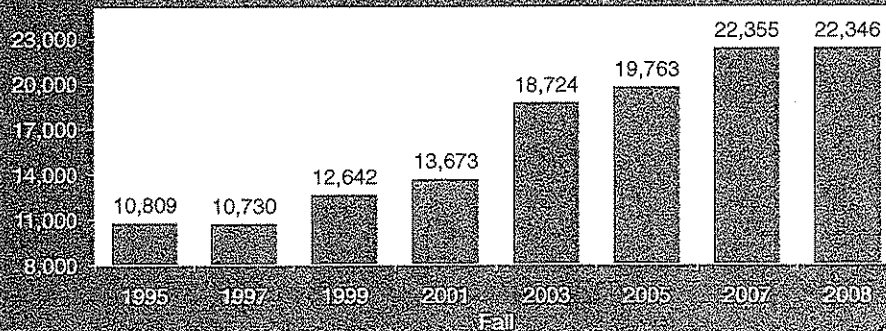
Freshman Application Trends

UConn

Storrs & Regional Campuses

- At this point, freshman applications are 5% ahead of the same time last year

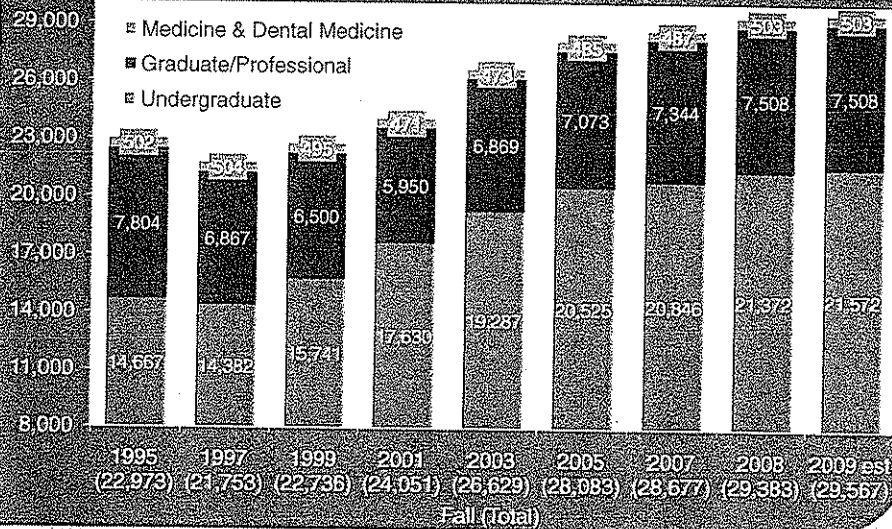
- Applications have increased 107% from Fall 1995 to Fall 2008



Student Enrollment

UConn

Undergraduate enrollment is projected to increase 47% from 1995 to 2009

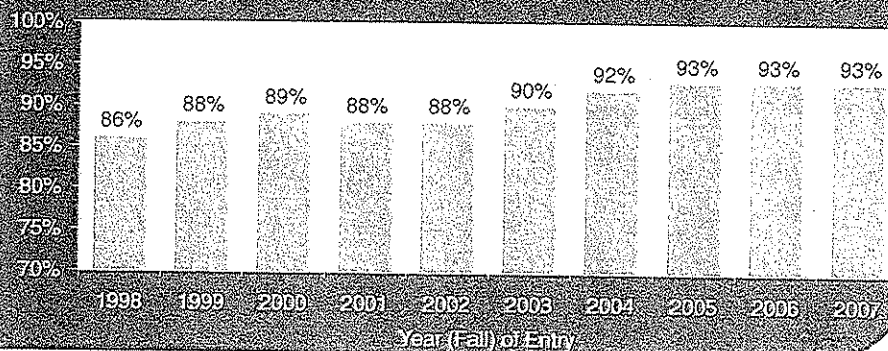


Freshmen Retention Trend

UConn

Storrs Campus

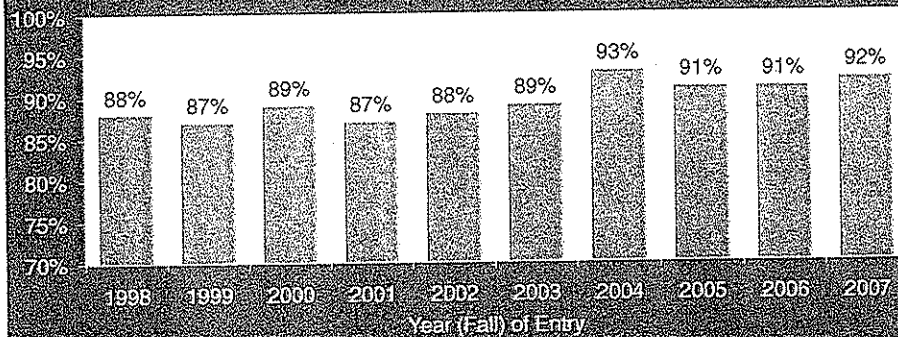
- Fall 2006 freshman retention rate is substantially higher than the 81% average for 441 colleges & universities in the national Consortium for Student Retention Data Exchange (CSRDE)



Minority Freshmen Retention Trend

UConn

Storrs Campus



- o Fall 2006 minority freshman retention rate is also substantially higher than the national 79% average (CSRDE)

4-Year Graduation Trend

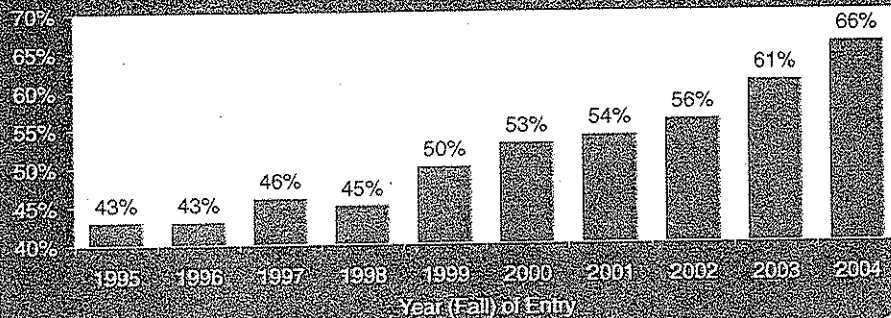
UConn

Storrs Campus

- o UConn's ranking among the 58 Public Research Peer Universities:

Fall 2001 4-year graduation rate of 54% ranks 11th

Fall 2001 average time to graduate of 4.3 years ranks 8th



6-Year Graduation Trend

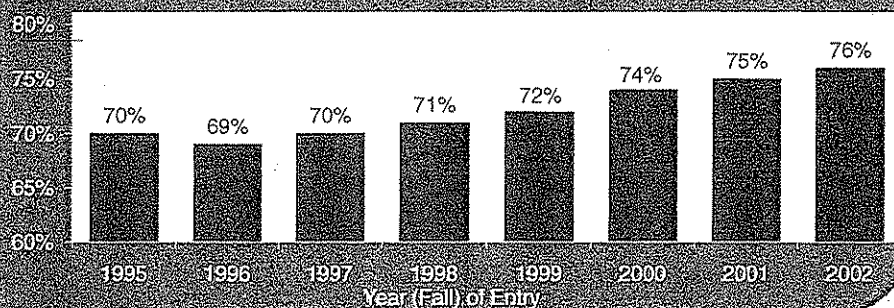
UConn

Storrs Campus

UConn's ranking among the 58 Public Research Peer Universities:

Fall 2001 6-year graduation rate of 75% ranks 20th

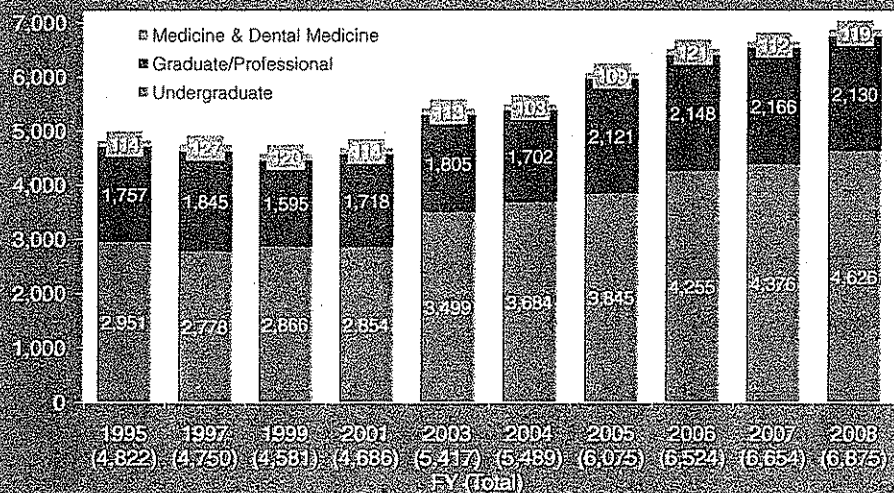
Fall 2001 6-year minority graduation rate of 68% ranks 22nd



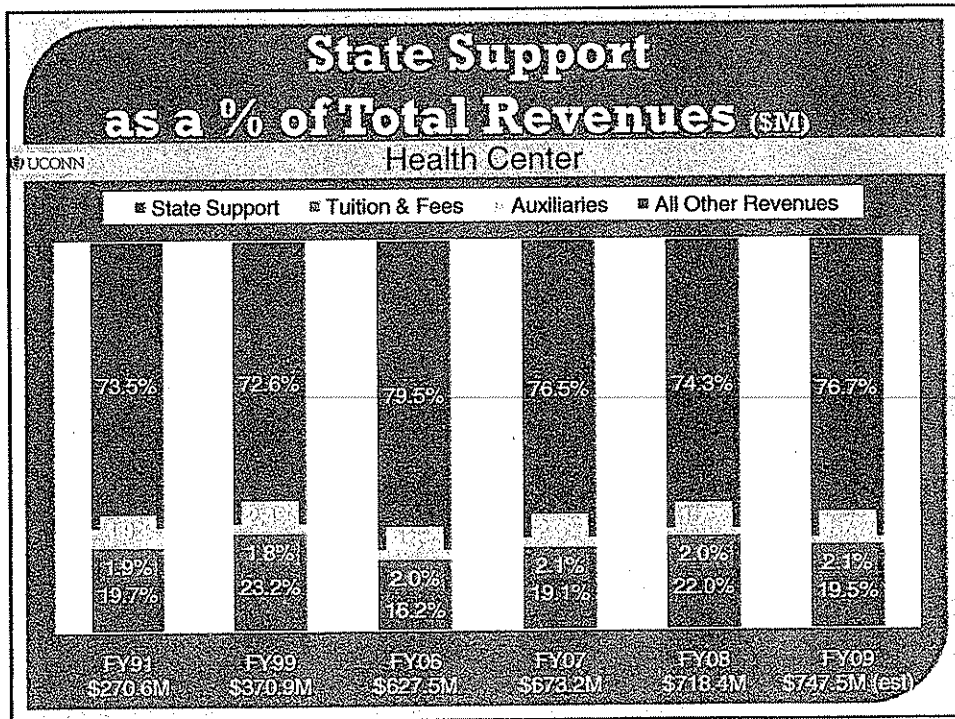
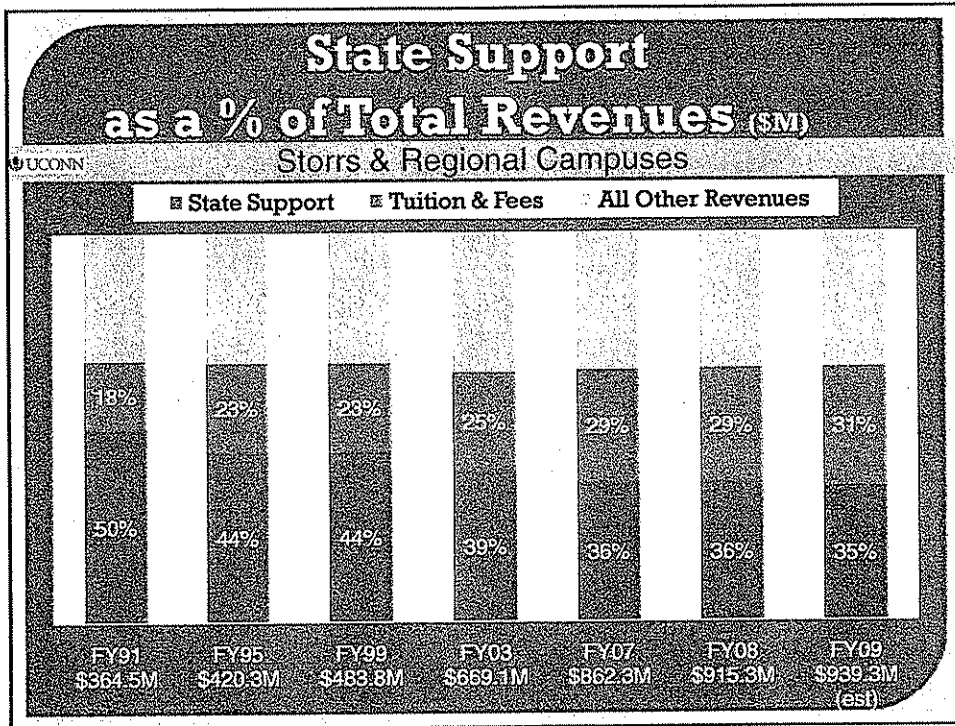
Degrees Awarded

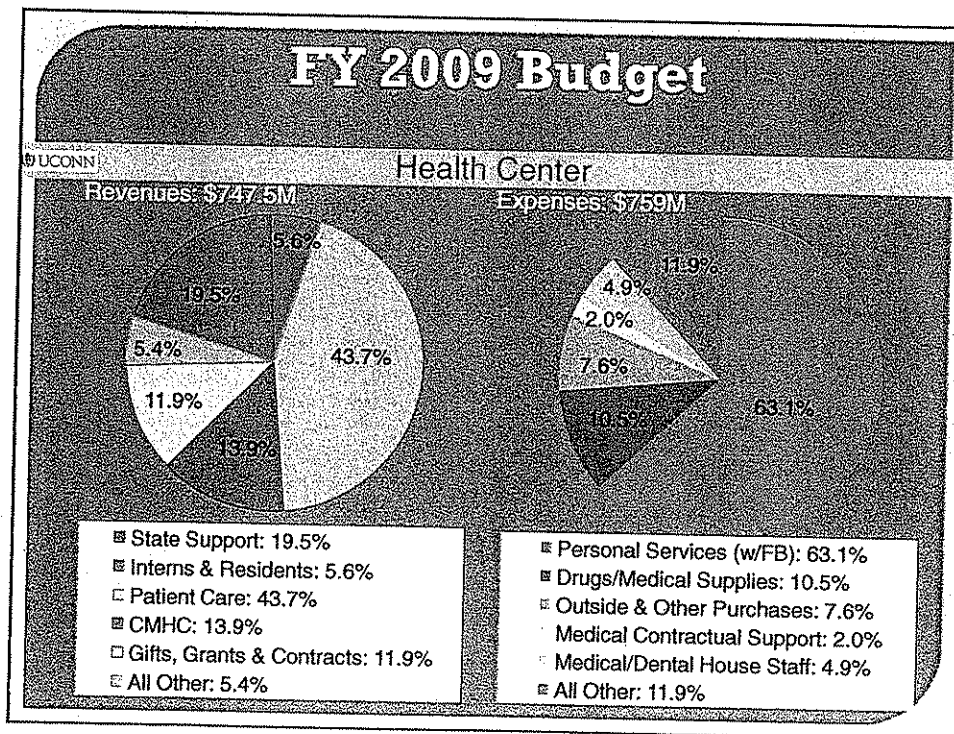
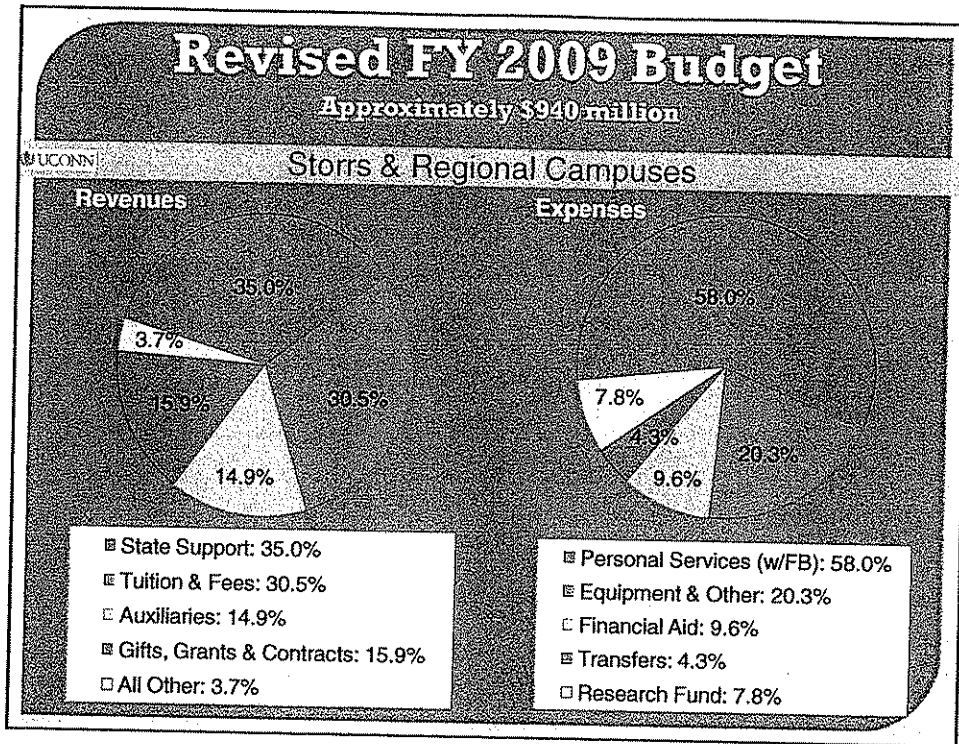
UConn

Undergraduate degrees have increased 62% since 2001



Over 109,500 alumni live in Connecticut





State Appropriations (M)

UConn

	FY09	FY09	FY10	FY10	FY11	FY11
	<u>Allotment</u>	<u>Forecast</u>	<u>Request</u>	<u>Gov.Rec</u>	<u>Request</u>	<u>Gov.Rec</u>
UConn	\$247.8	\$239.0	\$259.1	\$235.3	\$271.1	\$235.7
UCHC	\$102.0	\$105.0	\$117.8	\$110.7	\$125.7	\$113.1

o UCHC

Received a \$16.8M deficiency appropriation for FY09
Fringe benefit differential is \$13M for FY10 and \$14M for FY11

Funds needed to restore coverage for routine dental services for adults on Medicaid and SACA are \$3M for FY10 and \$3M for FY11 based on dental clinic volume

Impact of Rescissions

UConn

Storrs & Regional Campuses

o While we would be guided by our Academic Plan, any rescissions would cause:

- Continued hiring freeze
- Negative impact on student accessibility
- Reduction in course availability
- Decreased student support services
 - Adverse impact on retention and graduation rates
- Reduction in research and outreach
- Diminished economic impact

o Will need to identify additional savings and revenues to maintain the UConn Promise!

CORE Task Force

UConn

Cost, Operations & Revenue Efficiencies

- Created by the President in November 2008
- Primary purpose is to help effectively manage the increasingly difficult fiscal environment
- CORE members have reviewed more than 500 suggestions
- Immediate implementation of savings/revenues could generate an estimated \$5-7M in FY10

Non-State Revenue Streams

UConn



◦ Research funding

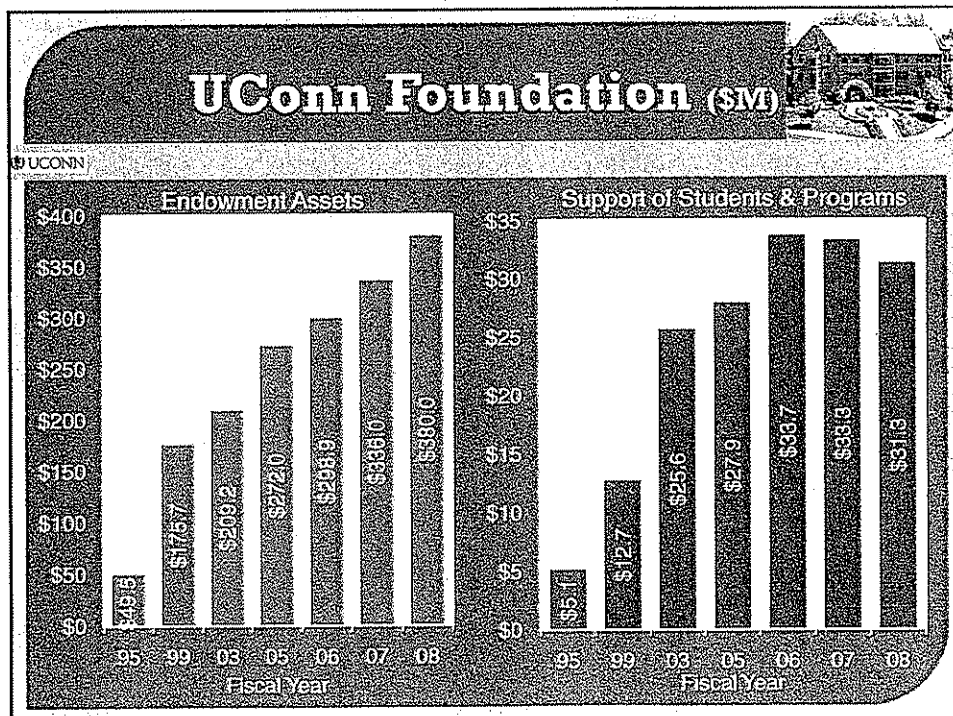
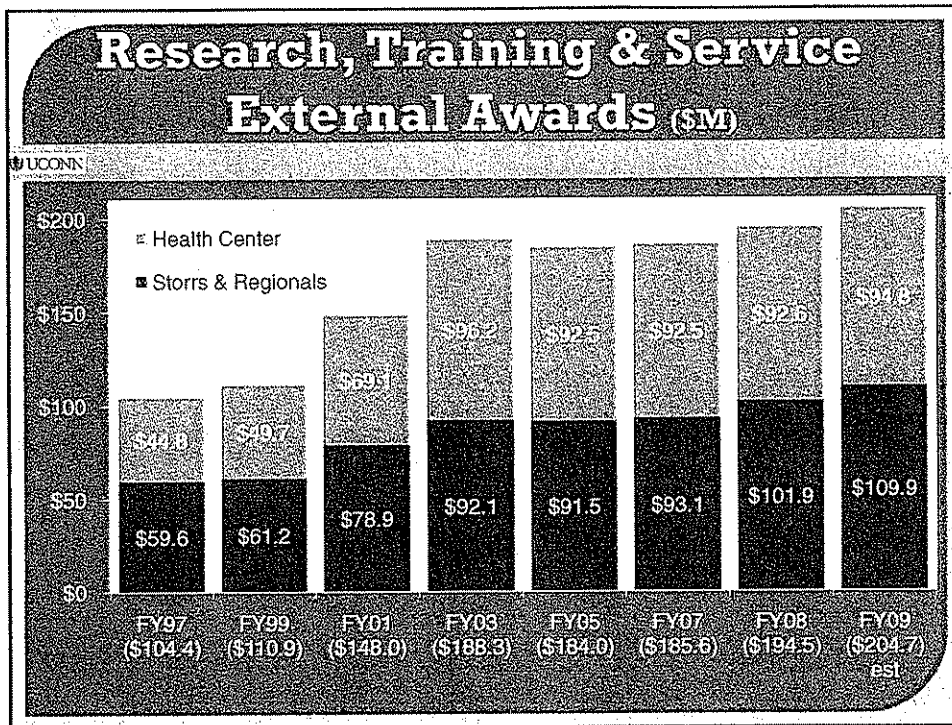


◦ Private support

◦ Clinical revenue @
Health Center



◦ Tuition/fees/room/board @ Storrs &
Regionals



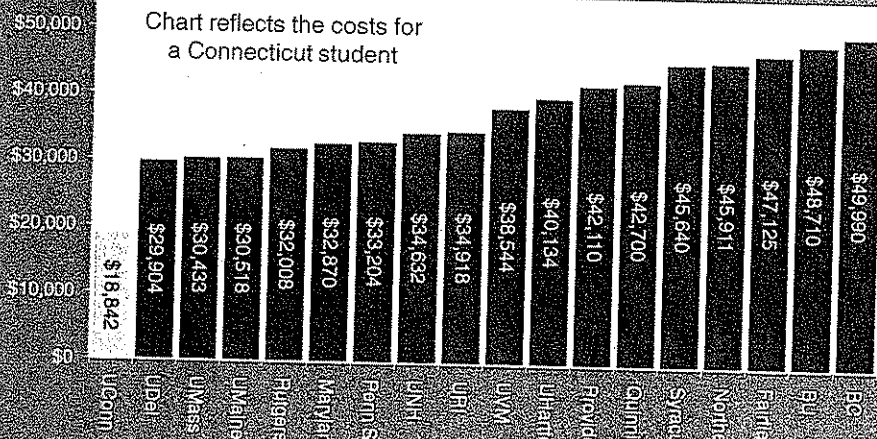
UConn's Affordability FY09 Tuition & Mandatory Fees

UConn

Private Schools	In & Out of State	Public Schools	In State	Out of State
Boston College	\$38,380	Penn State	\$13,706	\$24,940
Boston Univ	\$37,050	Univ Vermont	\$12,844	\$29,682
Fairfield	\$36,075	Univ New Hampshire	\$11,756	\$25,236
Northeastern	\$33,971	Rutgers	\$11,562	\$21,776
Syracuse	\$33,440	Univ Massachusetts	\$10,232	\$21,729
Providence	\$31,300	Univ Connecticut	\$9,338	\$24,050
Quinnipiac	\$30,900	Univ Maine	\$9,100	\$22,510
Univ Hartford	\$28,172	Univ Rhode Island	\$8,678	\$24,776
		Univ Delaware	\$8,646	\$21,126
		Univ Maryland	\$8,445	\$23,516

UConn's Affordability FY09 Tuition, Fees, Room & Board*

UConn



*Board rates reflect the most expensive meal plan available

Tuition, Fees, Room & Board

UConn

Storrs & Regional Campuses

<u>In-State</u>	<u>FY08 Amount</u>	<u>FY09 Amount</u>	<u>Increase Over FY08</u>	
Undergraduate				
Tuition	\$6,816	\$7,200	5.63%	\$384
Room	\$4,698	\$5,090	8.34%	\$392
Board (Value Meal Plan)	\$3,960	\$4,210	6.31%	\$250
Undergraduate Total	\$17,510	\$18,638	6.44%	\$1,128
Graduate Total	\$19,356	\$20,592	6.39%	\$1,236
<u>Out-of-State</u>				
Undergraduate Total	\$31,454	\$33,350	6.03%	\$1,896
Graduate Total	\$32,838	\$34,812	6.01%	\$1,974

* Board rates reflect the Value meal plan which is the most popular plan available.

National Trends in College Pricing at 4-Year Public Institutions

UConn

○ Tuition & Fees:

National rates 6.4% higher in FY 2009 than FY 2008
(UConn 5.49%)

National increase of 42% from FY 2004 - FY 2009
(UConn 37%)

New England increase of 90% from FY 1998 - FY 2009
(UConn 78%)

National increase of 112% from FY 1993 - FY 2009
(UConn 78%)

○ Tuition, Fees, Room & Board:

National increase of 92% from FY 1998 - FY 2009
(UConn 76%)

Source: 2008 Trends in College Pricing, College Board

Total Financial Aid (\$M)

UConn

Storrs & Regional Campuses

	<u>FY08</u>	<u>FY09</u> Forecast	<u>% Change</u> (FY08-FY09)
Need-Based Grants	\$54.1	\$59.5	10.0%
University Scholarships	25.4	28.8	13.4%
Non-University Scholarships	5.2	5.8	11.5%
Loans (federal & private)	128.4	140.5	9.4%
Tuition Waivers	41.9	44.3	5.7%
Subtotal	\$255.0	\$278.9	9.4%
Work Study/Student Labor	15.4	17.4	13.0%
Total Financial Aid	\$270.4	\$296.3	9.6%

Tuition Funded Financial Aid (\$M)

UConn

Storrs & Regional Campuses

	<u>FY08</u>	<u>FY09</u> Forecast
Total Tuition Funded Financial Aid	\$87.6	\$96.7
Total Tuition Funded as a % of Gross Tuition Revenue	37.8%	38.5%
Tuition Funded Need-Based as a % of Net Tuition Revenue	16.6%	17.2%
DHE Need-Based Set Aside Policy	15.0%	15.0%

Financial Aid Summary

UConn

Storrs & Regional Campuses

- All tuition, fees, room & board increases have been accompanied by an off-setting increase in financial aid to ensure that any qualified student can attend the University regardless of financial means



- For FY09, total aid is forecasted to increase 9.6% and need-based grants are projected to increase 10%
- Meet direct educational expenses for the neediest in-state students
- 77% of students (undergraduate and graduate) received aid in FY08

Financial Aid Enhancements

UConn

Storrs & Regional Campuses

- Increased commitment to financial aid in FY10
- Lawmakers negotiated an additional \$500 per student in Federal Pell Grants to be provided by the Federal Stimulus Bill pending final approval
- Direct Lending Program
 - Lower cost of borrowing
 - Streamlined process
 - Quicker disbursement to students
 - Students will be insulated from potential funding disruptions
 - More efficient use of staff resources

FY09 Spending Plan Highlights

UConn

◉ Storrs & Regionals

Faculty hires

Undergraduate enrichment

Course coverage



◉ Health Center

Financial stability



Provost's Priorities for FY09

UConn

Storrs & Regional Campuses

Academic Leadership

Undergraduate Enrichment & Diversity

Increased Collaborations

Research: Blueprint for the Future

Faculty Hiring: Continuing Momentum

Implementation of New Initiatives

Re-Phasing of UConn 2000



Academic Leadership

UConn



Senior academic leadership provided by 13 Deans

4 Deans hired in FY 2008: Law, Business, Nursing & Engineering

4 new Deans recruited to start in FY 2009: Medicine, CLAS, Social Work & CANR

Successful completion of these searches has been the highest priority in Academic Affairs



Undergraduate Enrichment

UConn

Storrs & Regional Campuses

○ Honors program expansion – additional 70 students in fall 2008 compared to fall 2007 (\$255k)

○ Living & Learning Communities – Honors & Global Houses (\$100k)

○ Study Abroad Goals

Increase percentage of students who benefit from an international experience from 18% to 30%

Forge substantial partnerships with a limited number of prestigious international universities



Academic Advising

UConn

○ Institute for Student Success

Ensures the success of students inside and outside the classroom

Designed to facilitate student success by assisting with the transition to the University

Provides advising, counseling and academic support for the first two years and beyond

75% of all incoming students participate in the First Year Experience program

Over 9,000 student advising visits during the last academic year

Success of the program is measured by the University's high national rankings in retention and graduation rates

Diversity

UConn

Storrs & Regional Campuses

○ Increase the international dimension of teaching & research programs and enhance the range of diversity programming



Increase recruitment efforts for undergraduate international students

Increased diversity in graduate programs



Focused effort to recruit diverse faculty



Achieve diversity goals spelled out in various college plans for faculty & students

Increased Collaborations

UConn

Inter-Departmental and Inter-Campus

- ◉ **CICATS (CTSA)- Connecticut Institute for Clinical and Translational Science**
- ◉ **Nanotechnology**
- ◉ **Stem Cell Research: \$16.1M supports 23 researchers**
- ◉ **School of Medicine: post doctoral training for Nursing faculty**
- ◉ **Honors Program: students working in Neonatal Intensive Care Unit**
- ◉ **Pappanikou Center for Excellence in Developmental Disabilities: joint hires**



Research: Blueprint for the Future

UConn

Storrs & Regional Campuses

- ◉ **Increase emphasis on focused research areas**
 - Eminent Faculty program: Alternative Energy & Fuel Cells**
\$2M state funding -Eminent faculty hire anticipated (fall 2009)
 - Center for Entrepreneurship program: Business & Law**
6 faculty hired (FY08)
 - Nanotechnology: partnering with state agencies**
 - Collaboration with foreign institutions**
 - Pursuing workforce development for the state**
 - Strategic investment in cultural & artistic programming**



Faculty Hiring: Continuing Momentum

UConn

Storrs & Regional Campuses

◉ Net new faculty

51 in FY06

13 in FY07

30 in FY08

30 in FY09



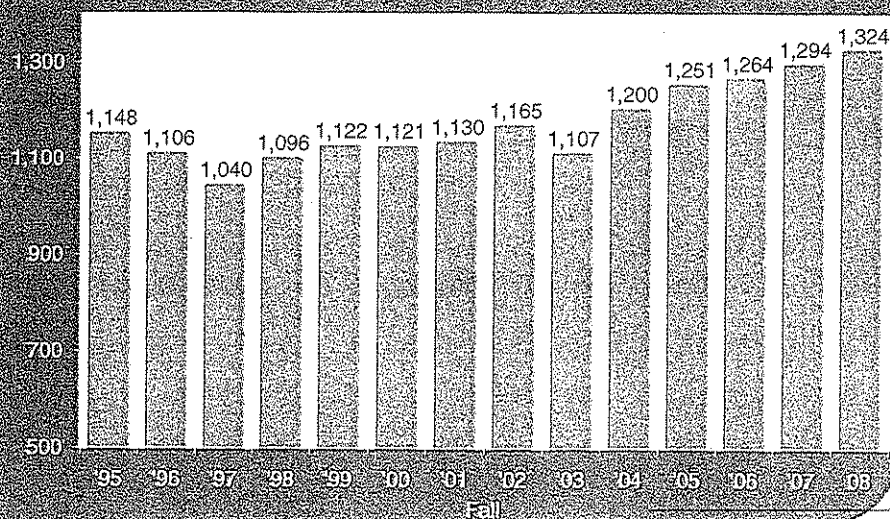
◉ Faculty Hiring Plan

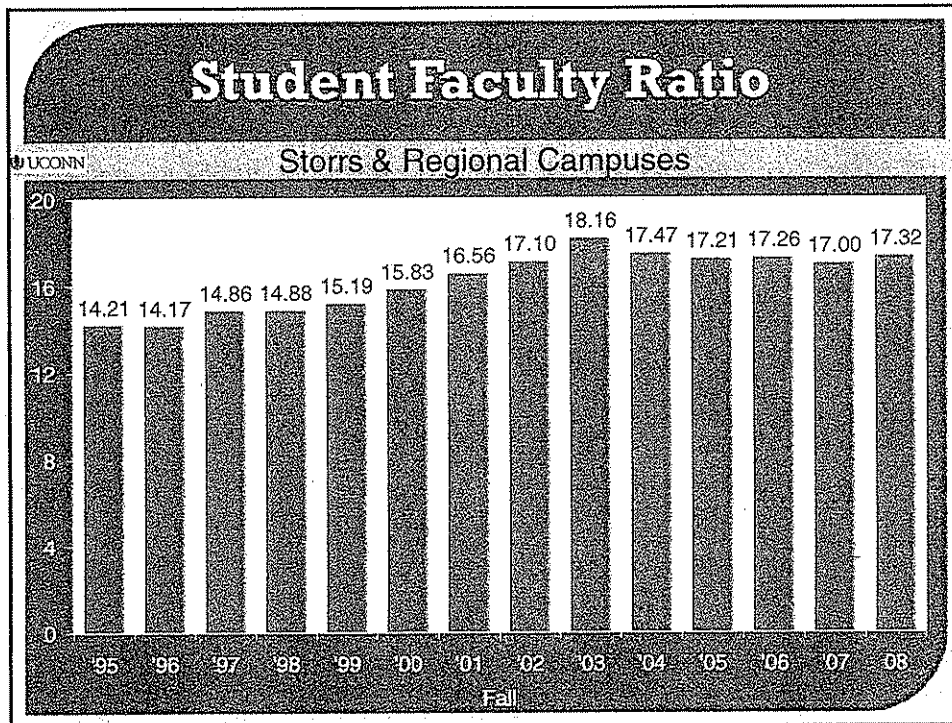
Currently on hold due to hiring freeze


Faculty Growth

UConn

Storrs & Regional Campuses







UConn
Health Center

Appropriations Committee Hearing

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FY 2009 Plan

UConn

Health Center

- ◉ We have new leadership
- ◉ We are pursuing a principal partnership with Hartford Hospital and an academic (education and research) collaboration with the area hospitals in keeping with the CASE recommendations and subsequent legislation
- ◉ We are pursuing cost reductions and revenue enhancements
 - After \$78M in cost reductions and revenue enhancements since 2000, low-hanging fruit is gone
 - PwC recommendations fuel new efforts
 - Productivity enhancement and performance improvement is longer-term
 - Revenue enhancement and cost savings initiatives in the FY09 budget total \$9.5M

FY 2009 Plan

UConn

Health Center

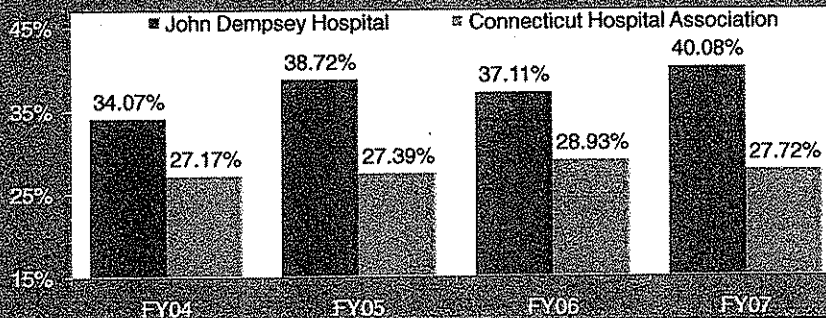
- ◉ Structural problems persist
 - JDH is undersized and outdated
 - 116 of 224 beds are low-reimbursement specialty (NICU, newborn, high-risk maternity, psychiatry, Correction) unavailable for med/surg activity
 - For FY08, NICU average loss per case is estimated at \$31,700
 - JDH carries a unique hospital fringe benefit obligation: estimated fringe benefit differential for FY09 is \$13.0M
- ◉ Faculty must enhance clinical revenue while still meeting the needs of a comprehensive medical education program
- ◉ Absent a clinical partnership or state support of the public service mission, we will have no choice but to implement difficult service and program eliminations.

Fringe Benefit Costs

UConn

JDH v. CHA Member Hospital Average

- As a state entity, JDH has fringe rates significantly higher than other hospitals.
- JDH has absorbed the cost of fringe benefits for its employees - for the first time in FY09, \$3.6M in the state comptroller's fringe account will help to offset some of that cost.
- The dollar value of that differential was \$8.4M in FY 05, \$6.7M in FY 06, 10.7M in FY 07, and is estimated at \$12.5M in FY 08, \$13M in FY 09, \$13M in FY 10 and \$14M in FY11.



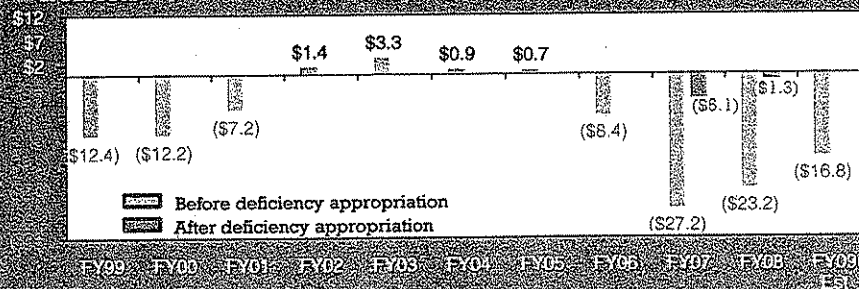
Total Excess / Deficiency (\$M)

(Before Capital Appropriations)

UConn

Health Center

- Beginning in FY02, the Health Center experienced 4 straight years of improved financial performance & balanced budgets (primarily due to the positive performance of JDH)
- Beginning in FY06, the Health Center experienced annual deficits

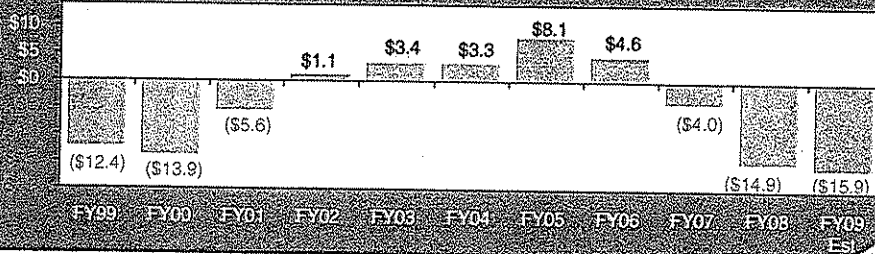


Total Excess / Deficiency (\$M)

UConn

John Dempsey Hospital

- The performance of John Dempsey Hospital in FY02-FY07 was greatly influenced by positive settlement of Medicare cost reports from prior years
- In FY06, while still generating a margin, the hospital was no longer able to fill the "academic gap"
- By FY07, JDH was in deficit and continues to experience annual deficits

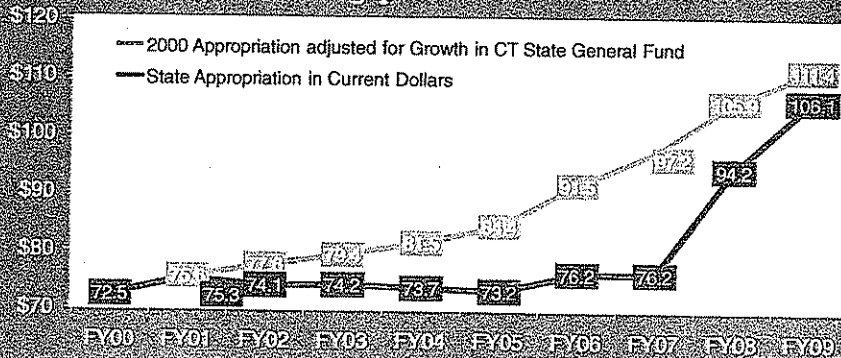


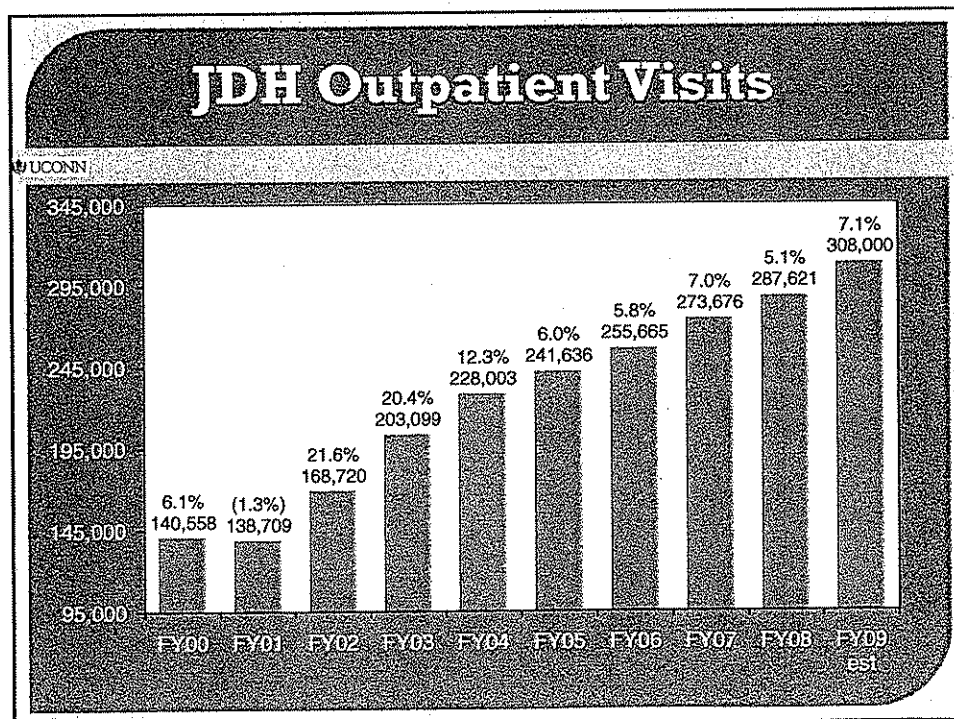
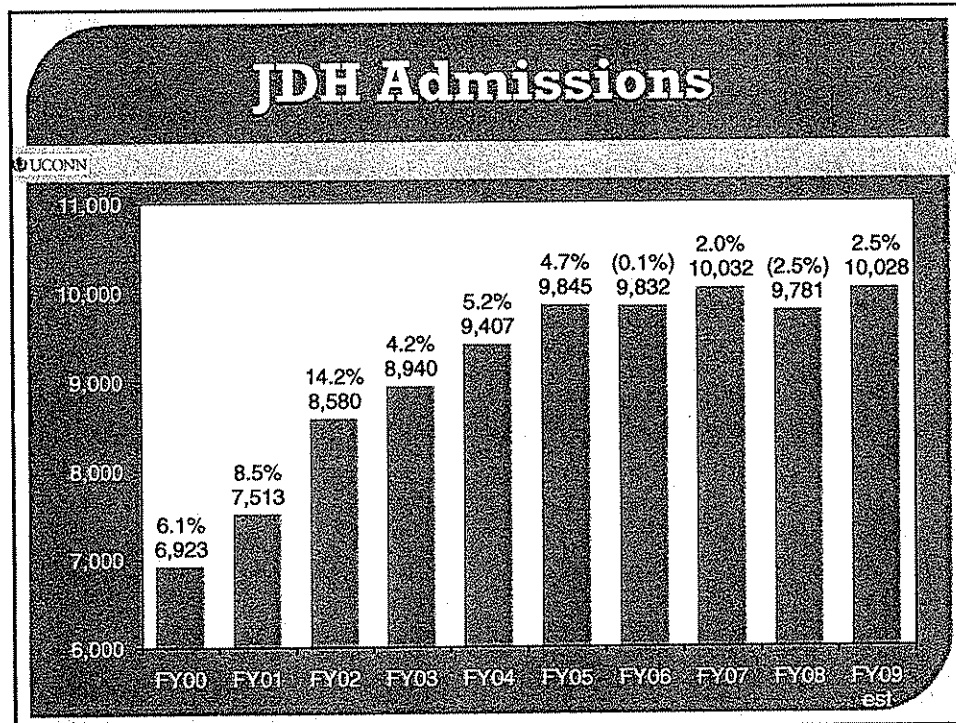
State Appropriation (\$M)

UConn

Health Center

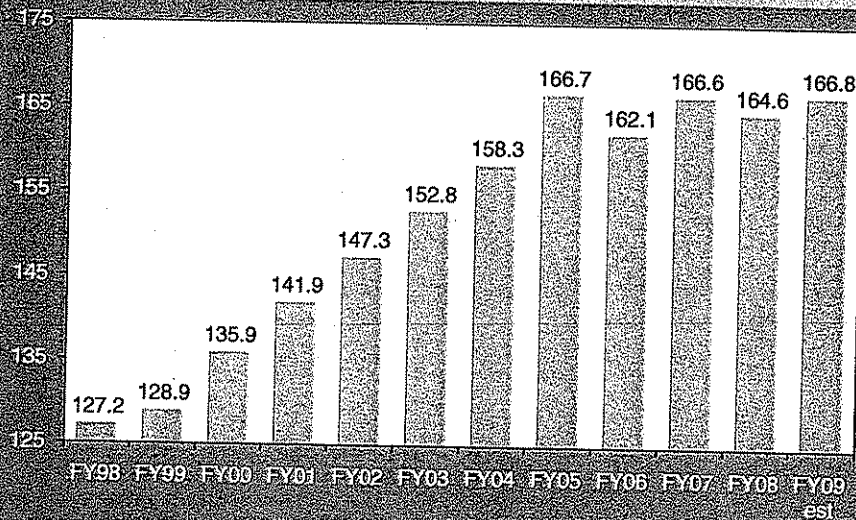
- From FY00 to FY07, the state appropriation (the mainstay of the academic enterprise) saw an average annual rate of increase of only 0.8%
- In FY08 and FY09, the General Assembly recognized this disparity and funded the academic gap





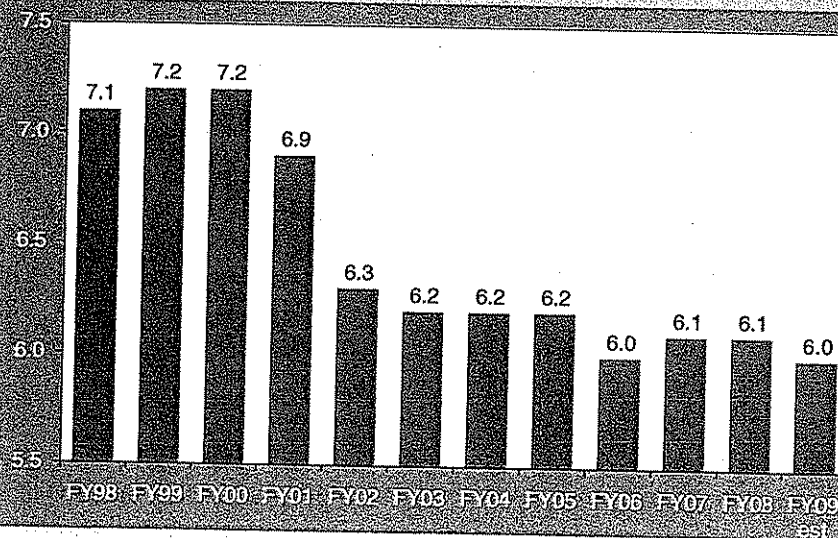
JDH Average Daily Census

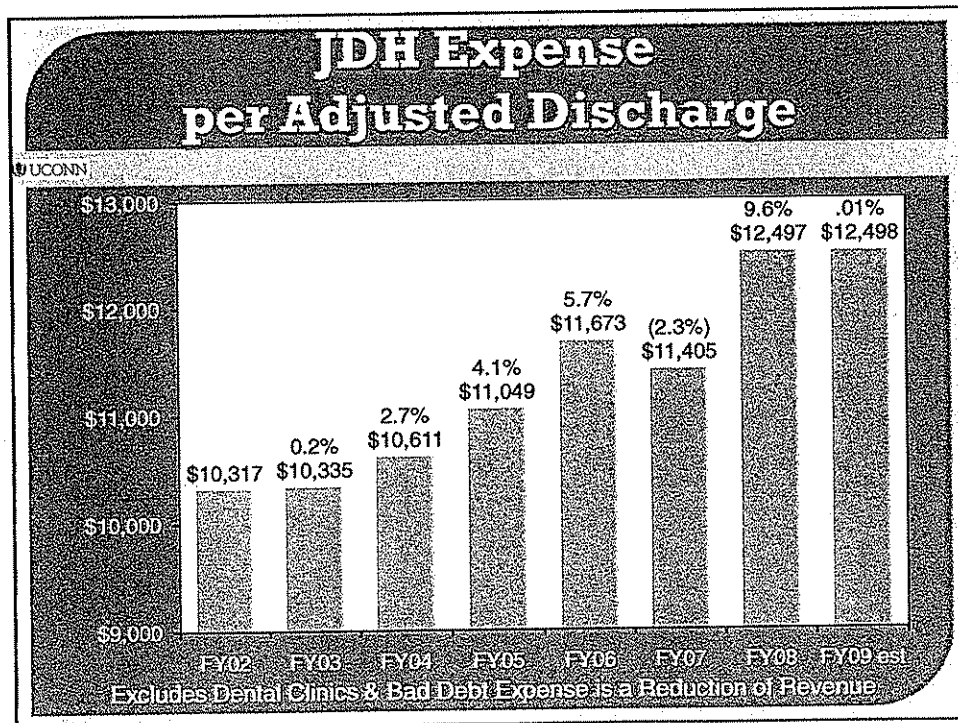
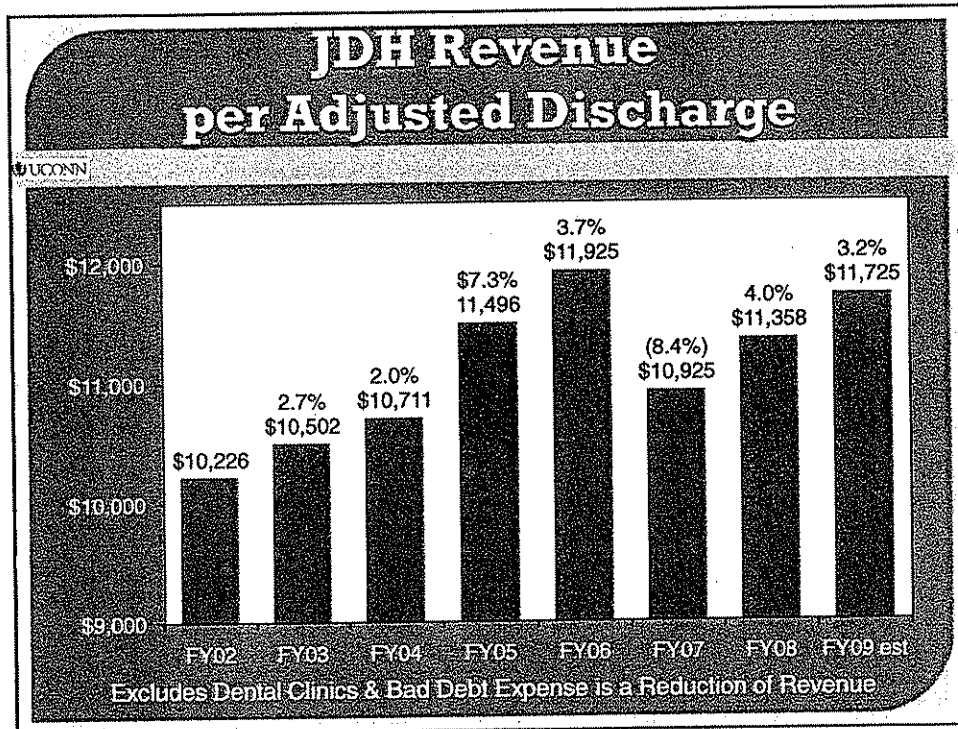
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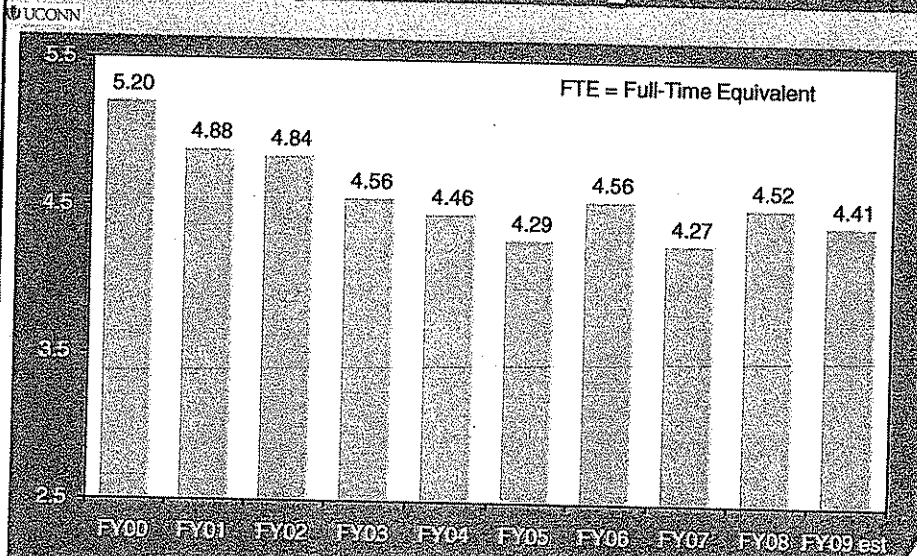
JDH Length of Stay

UConn





JDH FTE's per Adjusted Occupied Bed



UConn Promise

- UConn
- ◉ The State has made a tremendous investment in UConn
 - ◉ UConn will continue to...
 - Provide a high quality instructional program
 - Enhance access and diversity
 - Help meet State workforce needs
 - Retain best and brightest students in Connecticut
 - Be a powerful driver of economic development
 - Manage effectively within our resources
 - ◉ The current economic downturn should not jeopardize the State's investment and the dramatic progress that has occurred at UConn in the last decade!

